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NEWS RELEASE

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THDA Lowers Interest Rates Again and Raises the Grant for Great Start to 4%

NASHVILLE – For the second time in two months the Tennessee Housing Development Agency (THDA) is lowering the interest rates for first-time homebuyers, THDA Executive Director Janice Myrick announced.

The new rate, effective October 1, is 5.4 percent, which is the lowest interest rate the agency has ever offered in its Great Rate program, Myrick said.

“We are making the interest rate more than a half a point lower than the interest rate we offered at the beginning of the year, and we are raising the grant to 4% on the Great Start program, she said. “We think that the extraordinarily low interest rate, coupled with other program options, will open doors to homeownership for more Tennessee families.”

THDA’s “Great Rate” program interest rate had been 6.0 percent since the start of the year. In August THDA reduced the interest rate of this program to 5.625 percent.

THDA loans are also available with 4% down payment assistance. The “Great Start” option, which has an interest rate of 6.4 percent. The 4% grant enables the borrower to purchase a home with minimal out-of-pocket expense for the downpayment and closing costs.

Through July of this year, THDA provided over \$143 million in loans to help over 1,700 Tennessee families purchase their first home. Last year at the same time the agency had provided over \$88 million in loans, helping over 1,100 families. That is a 38.5 percent increase in the number of homes financed by THDA, and a 33.3 percent increase in monetary volume.

THDA loans are available through over 100 participating banks, credit unions, and mortgage companies located across the state. For both Great Start and Great Rate, the income limit for a family of three or more in most counties is \$48,000, but is higher in the metropolitan areas (MSA) of Nashville, Memphis, and Knoxville. For a family of one or two, the income limit in most counties is \$40,500, but is higher in the large MSAs.

For more information about THDA’s first-time homebuyer programs, contact the Nashville office at 1-800-228-8432 (for a person who is hearing impaired 615-532-2894). Information about our mortgage programs and other programs offered by THDA can also be found on our website at www.state.tn.us/thda.

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Editor's Notes:

THDA's mission is to be the lead state agency promoting sound and affordable housing for people who need help. THDA provides affordable mortgage programs, administers rental assistance and federal and state grants.

The Agency has a 19-member board of directors appointed from various sectors of the housing industry, with the state government being represented by the Governor's office, the Department of Finance & Administration and the Constitutional Officers: Secretary of State, State Treasurer and Comptroller of the Treasury.

THDA administers the federal HOME program, providing over \$15 million per year to cities, counties, and not-for-profit organizations. These organizations increase the availability and affordability of housing throughout Tennessee.

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